194 .
K

File No. B Electricity /46 (Hubli)

Legal DEPARTMENT

B. BRANCH

P 1061 B) 1946

Subject:—

A Bill to amend the Indian

ectricity Act- 1910

(Hubli Electricity Company)

L A Bill No. IX of 19

ion - Act - No XVIII of 19

"True copy - Original papers being of bad quality - Destroyed."

V J Vedantkar

Superintendent,
D Branch, Legal Department.

File No. B-Electricity 1/46 (Hubli)
Bom. Secty. Slip 34-B

516-B

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Legal Department File No. B. Electricity (Trade) / 46

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2	URL to P.W.D. No 74-L dt. 22nd June 1946	Draft Bill	3-4
3	URL to P.W.D. No 231-L dt. 18th July 1946	Draft certificate	4A-6
4	L.D.R.D No 936-L dt. 19th Sept. 1946	Authentic copy ~~passed~~ by B.L.A. ~~2nd~~	7-
5	G.L.L.D No 745-L dt. 19th Sept. 1946	Seeking Governor's assent	9-12
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Office of the R.L.A.

It is necessary to enact legislation in respect of the Hubli Electricity Co. Ltd., and this could be conveniently done by the Provincial Government, as it would fall under item 31 of the Concurrent List in Schedule VII of the Constitution Act. Clause (g) of section 5 of the Indian Electricity Act (IX of 1910) will not cover the case.

For the continuance of the other provisions referred to, also, legislation is necessary, but since similar provisions must be in existence in other Provinces, it would perhaps be more expedient for the Government of India to undertake legislation for the purpose.

Remembrancer of Legal Affairs.

U.R. to P.W.D., No. 93-D-Gen., dated the 4th March 1946.

R.

Office of the R.L.A.

As orally directed by H.M.(P.W.D.) after discussion with th Assistant Legal Remembrancer, a revised draft Bill to amend the Indian Electricity Act,1910, in place of the P.W.D. draft Bill at pp.9-13 ante, together with a revised Statement of Objects and Reasons, is sent herewith.

2. It may be pointed out that some of the provisions of the P.W.D.draft amount to requisitioning and are therefore beyond the competance of the Provincial Legislature in view of Bhagwati J's judgment in Tan Bug Taim's case.

3. The principal object of the Bill is to retain possession o the undertaking of the Hubli Electricity Company. The revised dra Bill purports to achieve this object.

Provision has been made by inserting new section 7-A in the Bill to the effect that when the Provincial Government elects to purchase an undertaking under section 5(d) or 7(2), it may at any time take possession and control of such undertaking before the purchase is effected, notwithstanding anything to the contrary contained in any law. Clause 5 also provides that possession of a undertaking taken before the coming into force of the Act shall b deemed to be possession taken under new section 7-A.

4.[B]/The subject-matter of the Bill falls under entries 1, 8 and 31 in List III in the Seventh Schedule to the Government of India Act, 1935./[B] The Bill does not require any sanction or recommendation or affect any special responsibility, under the Government of India Act, 1935.[C] As the provisions of clause 2 of the Bill, however, are repugnant to the provisions of sections 5(d) read with 5(b) and 7(2) read with 7(1) of the Indian Electricity Act,1910, and the provisions of clause 3 of the Bill are repugnant to the provisions contained in section 55(4) of the Transfer of Property Act,1882, and sections 32 and 47 of the Sale of Goods Act, 1930 which are, existing Indian laws relating to concurrent matters, it will be necessary to reserve the Bill for the consideration of the Governor General with reference to section 107(2) of the Government of India Act, 1935./[C]

Submitted for approval & signature
The name "Tan Bug Taim" has been changed. 20/7/46
A.A.S. 22/6
R.L.A.
A.L.R (offg) 22/6/46

O.C. 22/6/46
Remembrancer of Legal Affairs.

U.R.to P.W.D., No. 74-L, dated the 22nd June 1946.

The Punjab Elec Powers Act
5660/36 I & II

53 HH 4A½

Legal Department.

The Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay, having been published in the Bombay Government Gazette on the 16th July 1946, these papers are returned to the Public Works Department for further action and for submitting them to H.M.,P.W.D., for his use at the time of introducing the Bill. The P.W.D. may now arrange immediately to obtain H.E's certificate to the effect that the Bill does not require his sanction or recommendation under the Government of India Act, 1935. The draft of the said certificate is sent herewith. The PWD is also requested to take steps to obtain the orders of Government for application of the Act to the partially excluded areas in the Province.

18.7

Assistant Secretary to Government.

U.R.to P.W.D.,No. 231-L, dated the 18th July 1946.

MRP.
18/7.

18/7

B
S-55

The Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay, does not require my sanction or recommendation under the Government of India Act, 1935.

GOVERNOR OF BOMBAY.

IMMEDIATE

93 87 29

No. 1041
Legislative Assembly Office,
Council Hall,
Poona, 18th September 1946.

From

The Secretary to the Bombay Legislative Assembly,

To

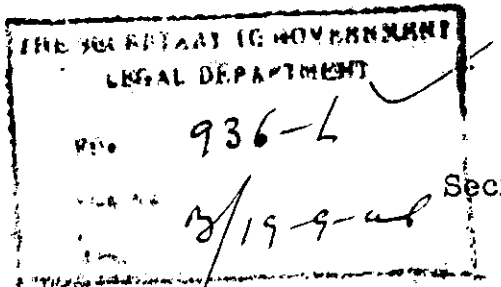
The Secretary to Government,
Legal Department, Poona.

Subject: L.A.Bill No.IX of 1946 (A Bill to amend the Indian Electricity Act,1910, in its application to the Province of Bombay).

Sir,

With reference to rule 105 of the Bombay Legislative Assembly Rules, I am to forward herewith an authentic copy of the Bill noted above which was read for the third time and passed by the Legislative Assembly and the Legislative Council at their meetings held on 26th July and 13th September 1946, respectively and to state that on the 18th September 1946 the Legislative Assembly concurred in the amendment carried out by the Legislative Council.

2. Four copies of the Bill on white paper are also forwarded.



Your obedient servant,

(S. K. SHEODE)
Secretary to the Bombay Legislative Assembly.

No. 745-L

Legal Department,
Council Hall, Poona, 19th September 1946.

From

P.N.Moos, Esquire, C.I.E., I.C.S.,
Secretary to the Government of Bombay.

To

The Secretary to the Governor of Bombay.

Subject:- A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

Sir,

With reference to section 75 of the Government of India Act, 1935, I am directed to forward herewith for being presented to His Excellency the Governor, an authentic copy of a Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay, which was read for the third time and passed at the meetings of the Bombay Legislative Assembly and the Bombay Legislative Council held on the 26th July 1946 and the 13th September 1946 respectively, and to state that on the 18th September 1946 the Bombay Legislative Assembly concurred in the amendment carried out by the Bombay Legislative Council.

2. None of the provisions of the Bill affects any special responsibility of the Governor under section 52(1) of the Government of India Act, 1935, or falls within the purview of clause (a), (b), (c) or (d) of paragraph XVII of the Instrument of Instructions to the Governor of Bombay.

3. The subject-matter of the Bill falls under entries 1, 8 and 31 in List III in the Seventh Schedule to the Governmer of India Act, 1935.

4. As the provisions of clause 2 of the Bill are repugnant to the provisions of sections 5(d) read with 5(b) a 7(2) read with 7(1) of the Indian Electricity Act, 1910, and the provisions of clause 3 of the Bill are repugnant to the provisions contained in section 55(4) of the Transfer of Property Act, 1882, and sections 32 and 47 of the Sale of Goods Act, 1930, which are existing Indian laws relating to concurrent matters, it will be necessary to reserve the Bil

for the consideration of the Governor General with reference to section 107(2) of the Government of India Act, 1935.

5. I am also to forward herewith six copies of each of the items Nos.1 to 3 and two copies of item No.4 of the papers noted in the margin. The Bill was not referred to a Select Committee.

1. Bill as introduced in the Bombay Legislative Assembly with the Statement of Objects and Reasons.
2. Bill as read for the third time and passed by the Bombay Legislative Assembly and as introduced in the Bombay Legislative Council.
3. Bill as read for the third time and passed by the Bombay Legislative Council.
4. Extracts from the proceedings of the Bombay Legislative Assembly dated the 26th July 1946 and of the Bombay Legislative Council dated the 13th September 1946.

6. It is requested that His Excellency the Governor General may be moved to give his assent to the Bill before the 1st October 1946 and to convey the assent by telegram as the new Act must come into force on that date and also to communicate the date on which the assent is given.

I have the honour to be,
Sir,
Your most obedient servant,

19/9/46

Secretary to the Government of Bombay,
Legal Department.

Through the Secretary to the Government of Bombay,
Public Works Department.

19-9

15 39

No.G.S.2967.
Office of the Governor's Secretary
Government House

105

From

D. Symington, Esquire, CIE.ICS.
Secretary to the Governor of Bombay

To

The Secretary to the Bombay Legislative Assembly/Council

GANESHKHIND, 21st September 1946.

Subject: THE INDIAN ELECTRICITY(BOMBAY AMENDMENT)BILL,1946.

Sir,

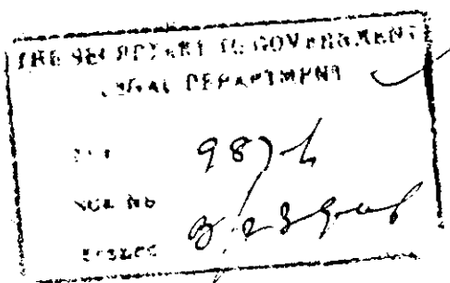
With reference to the above Bill, which was read for the third time and passed at the meetings of the Bombay Legislative Assembly and the Bombay Legislative Council on the 26th July 1946 and the 13th September 1946 respectively, I am directed to state, for the information of the Hon'ble the Speaker/President that as the provisions of clause 2 of the Bill are repugnant to the provisions of sections 5(d) read with 5(b) and 7(2) read with 7(1) of the Indian Electricity Act,1910, and the provisions of clause 3 of the Bill are repugnant to the provisions contained in section 55(4) of the Transfer of Property Act,1882, and sections 32 and 47 of the Sale of Goods Act,1930, which are existing Indian laws relating to concurrent matters, the Bill will have to be reserved for the consideration of His Excellency the Governor-General with reference to section 107(2) of the Government of India Act,1935. His Excellency the Governor is accordingly pleased, under section 75 of the Act, to declare that he reserves the Bill for the consideration of the Governor-General.

I have the honour to be,
Sir,
Your most obedient servant,

Sd. D. Symington

Secretary to the Governor of Bombay.

No. G.S.2970.
Ganeshkhind, 21st September 1946.



Copy forwarded with compliments to:-

The Secretary to Government, Legal Department, with reference to his letter No.745-L, dated 19th September 1946.
The Secretary to Government, Public Works Department, with reference to his endorsement dated 20th September 1946.

By order of the Governor of Bombay

Secretary to the Governor of Bombay.

B Please keep a note on all these bills
Especially for Bombay

987-L/23-9-46.

Submitted for information.

2 The PWD has already been requested to obtain the orders of Govt re the application of the proposed Act to the partially excluded areas. No action is therefore necessary on these papers at present.

3 Await CC's assent till 26th inst.

MDT
23/9/46.

S SS. 24/9

AAS. 24/9

25/9
SAS

25/9

No.GS.3174.
Office of the Governor's Secretary
Government House

From

D. Symington, Esquire, CIE.ICS.
Secretary to the Governor of Bombay

To

The Secretary to Government,
Legal Department, Poona.

Ganeshkhind, 5th October 1946.

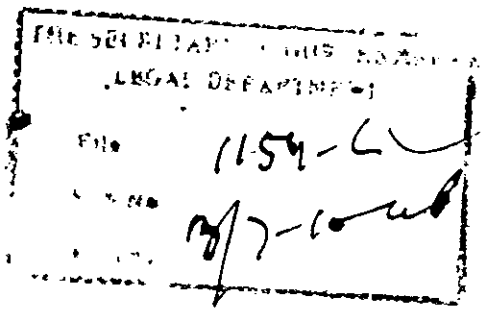
Subject: THE INDIAN ELECTRICITY(BOMBAY AMENDMENT) BILL,1946.

Sir,

With reference to the correspondence ending with my letter No.GS.3083, dated 29th September 1946, on the above subject, I am directed to forward herewith the authentic copy of the Indian Electricity(Bombay Amendment) Bill,1946, with His Excellency the Governor-General's assent signified thereon.

Your obedient servant,

Secretary to the Governor of Bombay.



LD

1154-L/7-10-46

Submitted for information.

2 The Act has already been published this may therefore be filed in B Electricity (Hubli)/1946

MUT
11/10/46

SS. [illegible]
9/10

AAS. [illegible] 10-10

LD

1154-L/7-10-46

Submitted for information.

2 The Act has already been published.

This may therefore be filed in "B".

Electricity (Hubli)/1946

MUT
8/10/46

SS. [illegible]
9/10

AAS. [illegible] 10-10

BILLS.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

GOVERNMENT OF BOMBAY.
Legal Department.
Resolution No. 2130-L
Bombay Castle, 15th July 1946.

Memorandum from the Public Works Department No.5660/36-El.(I), dated the 15th July 1946.- Transferring for necessary action the papers relating to a Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay

RESOLUTION:- The Bill with the Statement of Objects and Reasons should be forwarded to the Manager, Government Central Press, Bombay, for publication in the Bombay Government Gazette, dated the 16th July 1946, as Bill No.IX of 1946.

2. The Bill and the Statement of Objects and Reasons should be translated into Marathi, Gujarati, Kannada and Hindustani (in Urdu and Devnagari scripts) and the translations should be published in the Bombay Government Gazette on the 18th July 1946.

3. The dates of the various publications should be reported to the Secretary to the Bombay Legislative Assembly.

By order of the Governor of Bombay,

original K.M.Chitnvis

K.M.CHITNVIS,
Assistant Secretary to Government.

To

The Manager, Government Central Press, Bombay (with the Bill and S.O.R. and with a request that 230 Gazette copies of the Bill and the Statement of Objects and Reasons may be forwarded to the Secretary to the Bombay Legislative Assembly for distribution to the Members of the Bombay Legislative Assembly and 25 copies for the use of the Legal Department).

The Public Works Department,
*The Oriental Translator to Government,
The Secretary to the Bombay Legislative Assembly,
} with a copy of the Bill & S. O. R.

*With five extra copies of the Bill.

MRP.
15/7.

(To be translated into Marathi, Gujarati, Kannada and Hindustani (in Urdu and Devnagari scripts) and the translations to be published in the "Bombay Government Gazette". The dates of publication to be reported.)

The following Bill is published under the proviso to rule 30 of the Bombay Legislative Assembly Rules :-

---

L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

IX of 1910. WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely :—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof,

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910. 4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A;".

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

(Signed) [Sd/] M.D.D.Gilder.

Dated 15th July 1946.

By order of the Governor of Bombay,

K.M.Chitnvis,

Assistant Secretary to the Government of Bombay,
Legal Department.

Poona, 15th July 1946.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

Acts.

Publication of the Indian Electricity (Bombay Amendment) Act, 1946.

GOVERNMENT OF BOMBAY.
Legal Department.
Resolution No. 1043-L.

Council Hall, Poona, 29th September 1946.

Letter to the Secretary to the Governor, No.745-L, dated the 19th September 1946.

Letter from the Secretary to the Governor, No. dated the 29th September 1946:- Stating that the Indian Electricity (Bombay Amendment) Bill, 1946, received the assent of the Governor-General on the 28th September 1946.

RESOLUTION:- The law should be published as Bombay Act No. XVIII of 1946 in the Bombay Government Gazette, dated the 30th September 1946.

2. The Act should be translated into Marathi, Gujarati, Kannada and Hindustani (in Urdu and Devnagiri scripts) and the translations should be published in the Bombay Government Gazette.

3. A copy of the Act should be forwarded to the Public Works Department with reference to the memorandum from that Department No. 5666/36-E(I) dated the 15th July September 1946.

By order of the Governor of Bombay,

original: K.M.Chitnvis
K.M.CHITNVIS,
Assistant Secretary to Government.

To

The Manager, Government Central Press, Bombay (with a copy of the Act and with a request that 15 Gazette copies of the Act may be forwarded to the Legal Department).

The Public Works Department,
*The Oriental Translator to Government,
The Secretary to the Bombay Legislative Council,
The Secretary to the Bombay Legislative Assembly,
The Director of Information, Bombay,
} with a copy of the Act.

*With five extra copies of the Act.

MRP.
27/9.

The following Act of the Bombay Legislature having been assented to by the ~~Governor~~ Governor-General on the 28th September 1946 is hereby published for general information.

P.N.MOOS,
Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XVIII of 1946.

(First published, after having received the assent of the ~~Governor~~ Governor-General, in the "Bombay Government Gazette" on the * 194 .)

*Press:- Please insert here the date of the publication of the Act in the Bombay Government Gazette.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

~~(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)~~

~~(As read for the third time and passed by the Legislative Council on the 13th September 1946.)~~

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:— IX of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— IX of 1910. Amendment of sections 5 and 7 of Act IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (3) of section 7, as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS

L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce *L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).

The Hon. the SPEAKER : L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) is introduced.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a first time.

Question proposed.

Dr. M. D. D. GILDER : Sir, it has been said that bad cases make good laws, and this is one of the bad cases that has arisen, and that is why it has become necessary to come before the Legislature. In 1924 a licence was granted to two gentlemen to supply electricity to Hubli. In 1925 they transferred the licence to the Hubli Electricity Company, Limited. Complaints began to come from somewhere about 1930, and in December 1942 the District Magistrate of Dharwar wrote to Government that for the last 15 years the Company had been guilty of repeated negligence, inefficiency and utter disregard of the interests of the public. In January he said the Company had for some time entirely stopped the supply of electricity. The Electrical Engineer to Government was sent to investigate. He found that the engines were not working well, that there was no proper maintenance of the electrical power station, and even the Sub-Divisional Officer of Telegraphs complained that, because of the irregular and faulty supply of electricity, the telephone service batteries were not charged, and there was difficulty.

After a good deal of enquiry and unofficial talks in April 1943, the Company was informed that, though Government had sufficient grounds to cancel their licence, Government gave them six months' notice to set their house in order. That notice expired in October 1943, and the conditions were much worse. In fact, they were so bad that almost every day at frequent intervals, after the lights were switched on they went out and returned after an interval varying from a few minutes to an hour. In January 1944, the Company was told that its licence would be revoked from the 1st of May 1944. Even then another four months' period was given. In the meantime, Government asked the Hubli Municipality, or the authority working for them, if the municipality would like to purchase the undertaking. They refused. Then Government thought of giving the licence to some other company. But the Hubli Company filed a suit challenging the validity of the Government's order of revocation. Then Government thought that they ought to purchase the undertaking at once. They gave notice to that effect and sent an officer down to take possession. The Company refused to give possession pending settlement of price and completion of purchase, and as they had filed a suit against the Government which might take a long time for decision, and as the licence was revoked, Hubli was without electricity. Government therefore took power under the Defence of India Rules, and as there was a war industry and as supply of electricity was essential to the life of the community, they took over the undertaking. An entirely

2-30 p.m.

*Published at pages 58-59 of *Bombay Government Gazette*, Part V, dated 16th July 1946.

[Dr. M. D. D. Gilder]

outside authority, a retired man from the Central Provinces, a man who had been Electrical Adviser to the Central Provinces Government, was sent down to find out the value of the undertaking. He said that the undertaking on that day was worth Rs. 6,76,364. Government offered this price to the Company, but it was not accepted and the Company filed two suits against Government. The decision of the Court has been in favour of Government. But now the Company has gone in appeal. So, if we had not taken this undertaking under the Defence of India Rules, Hubli would have been without electricity all this time.

Now, as you are aware, Sir, the Defence of India Rules will cease to be in force from the 1st October 1946. As this case in appeal may not by then be decided, and as the price has not yet been settled we may have to go to arbitration, and the same situation would arise again. Hence, we have come to the House to give us power to continue what we have done, and in future, if instances like this arise, to give the Government the power on the day they make the order to take over the undertaking so that a city may not be without electricity.

That is the whole basis of this Bill.

Question "That the Bill be read a first time" put, and agreed to.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read clause by clause.

Clause 2 (*Amendment of sections* 5 *and* 7 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 3 (*Insertion of new section* 7-*A in Act IX of* 1910) ordered to stand part of the Bill.

Clause 4 (*Amendment of section* 42 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 5 (*Possession taken before the coming into force of this Act deemed to be possession taken under new section* 7-*A*) ordered to stand part of the Bill.

Clause 1 (*Short title*) and preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a third time and passed.

Question put, and agreed to.

The Hon. the SPEAKER : The Bill is read a third time and passed.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).*

The Hon. the PRESIDENT: The Bill is introduced.

Dr. M. D. D. GILDER: Sir, I beg to move that Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910 in its application to the Province of Bombay) be read a first time.

Question proposed.

Dr. M. D. D. GILDER: Sir, it has been said that bad cases make good laws, and in this particular instance we met a very bad case, and hence we have got to come to the House for passing this Bill. Somewhere in 1924 a licence was granted to Messrs. Amte and Malimath for supply of electricity to Hubli. A year later they formed a limited company, and the licensee was called the Hubli Electricity Company. Roundabout the late 30's complaints began to come to Government about the bad functioning of the company, and in December 1942 the District Magistrate of Dharwar wrote to Government that for fifteen years there had been repeated negligence, inefficiency and utter disregard of public interests by the company. The Electrical Engineer who was sent there to inspect the undertaking agreed with this. The Telephone department there complained that their batteries were not charged, and therefore they could not use the trunk telephone. So after a full enquiry, after more than four months, in April 1943, the company was informed that, though Government had sufficient grounds for the revocation of the licence, Government gave them six months to recondition their plant and to maintain it in a good condition.

Those six months expired in October 1943. The District Magistrate reported that the condition was worse; that there were frequent stoppages in the supply; that cinema houses, industries and the general public complained that things had come to such a condition that almost everyday between sunset and about 11 p.m. the electricity failed, sometimes for a few minutes and sometimes for an hour or more.

Then in January 1944, ultimately Government's patience was exhausted, and a notice was given to the company that their licence was revoked. Then when the licence was revoked, Government asked the Hubli Municipality if they would take it over. They were not prepared to take it over. Then Government wanted to sell it to somebody, but in the meantime the Hubli Electricity Company filed a suit in the court challenging the revocation. There was nothing left for the Government to do but to decide to take it over themselves. Then, when it sent an officer to take over, the company refused to give possession pending settlement of the price and the completion of the purchase, which would have meant that Hubli town would not have any electricity at all for some time.

At that time, the war was going on. There was a blanket industry there for the military, and for it and for the prosecution of the war and for maintaining

*The Bill was passed by the Legislative Assembly on July 26, 1946.

[Dr. M. D. D. Gilder]

the supplies and services which were essential to the community, under Rule 81 (*3*) of the Defence of India Rules, Government entered into possession.

Government appointed an officer, a retired Electrical Engineer from another Province—an entirely independent officer—to value the machinery and the plant and property that the company had, and he gave the value as Rs. 6,76,634. That money was offered to the company, but that has till now been refused. The company is raising objections. It filed two suits against Government in the High Court. Both of them have been decided in favour of Government, but the company has gone in appeal. So, if the Defence of India Rules had not been in existence Hubli would have been without electricity from 1944 up till now.

Now the Defence of India Rules expire on the 30th of this month, and in order to continue our possession of that plant, and in order that similar cases may not arise in the future, this Bill is presented to this House.

Sir BEHRAM N. KARANJIA: Sir, was there no provision for arbitration the terms of the licence? Otherwise, one might suppose that Government would take over any Electricity Company rightly or wrongly, and as a result of that the owner might suffer a great deal. I think in every agreement that Government makes there is a provision for arbitration and the appointment of an arbitrator; in many cases the Chief Secretary to Government is mentioned as the arbitrator. Otherwise, no compensation could be given to the man concerned.

Dr. M. D. D. GILDER: Rs. 6 lakhs odd were offered as compensation. The property was valued——

Sir BEHRAM N. KARANJIA: If there is a difference of opinion on the ground of compensation—supposing a man wants Rs. 10 lakhs and he is offered only Rs. 6 lakhs—then the matter should go to arbitration.

The Hon. the PRESIDENT: May I point out to the hon. Member that this Bill does not touch the question of compensation or otherwise? This Bill is an amending Bill giving Government power to take possession, or rather to continue in possession in the present case. How to pay compensation, what its amount should be—they are not the subject-matters of this Bill. If I am not correct the Hon. Minister will please correct me.

Dr. M. D. D. GILDER: That is perfectly correct. Sir, so far as this case is concerned, Government offered arbitration. The company refused to accept the cost that was estimated by an independent man from another Province, and they went to the Court on the preliminary issue that the Government's order of revocation was wrong.

Question "That the Bill be read a first time" put, and agreed to.

Dr. M. D. D. GILDER: Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read Clause by Clause.

The Hon. the PRESIDENT : I have received no amendments till now. Therefore, I propose to put to the House clauses 1 and 2 together.

Clauses 1 and 2 ordered to stand part of the Bill.

Clause 3 (*Insertion of new Section 7-A in Act IX of* 1910). After section 7 of the said Act, the following new section shall be inserted, namely :—

"7-A. *Provincial Government may take possession and control of undertaking before purchase is effected.*—(1) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

The Hon. the PRESIDENT : I have just now received an amendment to Clause 3. That stands in the name of the hon. Member Mr. Shantilal Shah. He will move it.

Mr. SHANTILAL H. SHAH (Broach and Panch Mahals *cum* Surat) : Sir, I beg to move :—

In clause 3 of the Bill, at the end of clause (*b*) of sub-section (*1*) of section 7-A, the following shall be added :—

"On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking"

Question proposed.

Mr. SHANTILAL H. SHAH : Sir, the object of the Bill as stated in the Statement of Objects and Reasons is that Government should be able to obtain possession of an electric undertaking before completion of its purchase. The clause as drafted provides that Government can require a licensee to deliver possession and that the licensee shall comply with such order. But suppose, as has happened in the present case, the licensee does not comply with the order, the only alternative left to Government will be again to go to the court and file a suit to obtain possession. If the object is to obtain possession without recourse to a court of law, then I submit that it is necessary to authorise Government to forthwith enter into possession of the undertaking. That is why I have proposed this amendment—with a view to fully carrying out the object of the Bill.

Dr. M. D. D. GILDER : Sir, I accept the amendment.

Amendment put, and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

Clauses 4 and 5 ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) as amended by the House be read a third time and passed.

Question put, and agreed to.

The Hon. the PRESIDENT : The Bill is read a third time and passed.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

The following Act of the Bombay Legislature having been assented to by the Governor-General on the 28th September 1946 is hereby published for general information.

P. N. MOOS,
Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XVIII OF 1946.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

IX of 1910.

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

IX of 1910.

Amendment of sections 5 and 7 of Act IX of 1910.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) where it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7, as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely:—

"(*a*) fails to comply with a requisition under section 7-A; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

PART IV

(1) Acts of the Local Legislature of the Bombay Province and (2) Acts of the Indian Legislature assented to by the Governor General.

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Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XVIII OF 1946.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

IX of 1910. WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*c*) of section 5 or sub-section (*3*) of section 7, as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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P. N. MOOS,
Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XVIII OF 1946.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:— IX of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— IX of 1910. Amendment of sections 5 and 7 of Act IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*c*) of section 5 or sub-section (*3*) of section 7, as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows.—

IX of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— Amendment of sections 5 and 7 of Act IX of 1910.

IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely :—

"(a) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (2) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS

L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As published in the "Bombay Government Gazette" of 16th July 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910.

2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient that, for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946]

(As published in the "Bombay Government Gazette" of 16th July 1946)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:— IX of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— X of 1910. Amendment of sections 5 and 7 of Act IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS

L. A. BILL No. IX OF 1946.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely:—

"(a) fails to comply with a requisition under section 7-A; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

This Bill was read for a third time and passed by the Legislative Assembly of the Province of Bombay on the Twenty-sixth day of July 1946.

Poona,
5th August 1946.

(Signed) K.S.Firodea,
SPEAKER.

This Bill which was read for the third time and passed by the Legislative Assembly of the Province of Bombay on the Twenty-sixth day of July 1946 was passed in the above form by the Legislative Council of the Province of Bombay on the thirteenth day of September 1946

Poona,
17th September 1946.

Mangaldas M Pakvasa
PRESIDENT.

The amendment made by the Legislative Council of the Province of Bombay in this Bill was agreed to by the Legislative Assembly of the Province of Bombay on the 18th day of September 1946.

Poona,
18th September 1946.

K S Firodea
SPEAKER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.]

(As read for the third time and passed b the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*1*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

Government of Bombay

LEGAL DEPARTMEN.

[L. A. BILL No. IX OF 1946.]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As published in the "Bombay Government Gazette" of 16th July 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*1*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (2) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.

(As published in the "Bombay Government Gazette" of 16th July 1946)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As published in the "Bombay Government Gazette" of 16th July 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:— IX of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— IX of 1910. Amendment of sections 5 and 7 of Act IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*1*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely:—

"(*a*) fails to comply with a requisition under section 7-A; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

In the case of the Hubli Electricity Company, Limited, possession of undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946

(As published in the "Bombay Government Gazette" of 16th July 1946)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As published in the "Bombay Government Gazette" of 16th July 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 19

(As published in the "Bombay Gover
Gazette" of 16th July 1946)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

X of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— Amendment of sections 5 and 7 of Act IX of 1910.

IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely :—

"(a) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 194(

(As read for the third time and passed b
the Legislative Assembly on the
26th July 1946.)

A Bill to amend the Indian Electric
Act, 1910, in its application to the Provi
of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PR

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter IX of 1910. called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely :—

"(a) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

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STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946

(As read for the third time and passed the Legislative Assembly on the 26th July 1946.)

Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS

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L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows :—

IX of 1910.

Short title.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely :—

IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely :—

"(a) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

7765

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of he Indian Electricity Act, 1910, can be revoked in the circumstances specified n section 4 of the said Act. When a license is so revoked and the Govern- ment elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option nder the provisions of section 7 (*2*) of the Act, it is considered to be expedient or the purpose of maintaining and improving the efficiency of the undertaking hat Government should be able to obtain possession of such undertaking efore completion of its purchase. There is at present no provision in the Act nabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of he undertaking had to be obtained by resort to rule 81 of the Defence of ndia Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as rom the 1st October 1946, it is necessary in the public interest to provide for he continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946.

M. D. D. GILDER.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. GILDER, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS

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L. A. BILL No. IX OF 1946.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:— of 1910.

1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946. Short title.

2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:— of 1910. Amendment of sections 5 and 7 of Act IX of 1910.

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

3. After section 7 of the said Act, the following new section shall be inserted, namely:— Insertion of new section 7-A in Act IX of 1910.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,— Provincial Government may take possession and control of undertaking before purchase is effected.

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (e) of section 5 or sub-section (3) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (a), (b) and (c) shall be relettered as "(b)", "(c)" and "(d)" respectively, and before clause (b) as so relettered the following new clause shall be inserted, namely :—

"(a) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

Government of Bombay.

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely:—

"(*a*) fails to comply with a requisition under section 7-A; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.]

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.]

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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L. A. BILL No. IX OF 1946.

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter IX of 1910. called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A, for the purposes of valuation the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely:—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

Government of Bombay

LEGAL DEPARTMENT

[L. A. BILL No. IX OF 1946.

(As read for the third time and passed by the Legislative Assembly on the 26th July 1946.)

(As read for the third time and passed by the Legislative Council on the 13th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

[Dr. M. D. D. Gilder, M.L.A.

BOMBAY: PRINTED AT THE GOVERNMENT CENTRAL PRESS.

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The following Act of the Bombay Legislature having been assented to by the Governor-General on the 28th September 1946 is hereby published for general information.

P. N. MOOS,
Secretary to the Government of Bombay,
Legal Department.

BOMBAY ACT No. XVIII OF 1946.

(First published, after having received the assent of the Governor-General, in the "Bombay Government Gazette" on the 30th September 1946.)

An Act to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

IX of 1910. WHEREAS it is expedient to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows:—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely:—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910.

3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected.

"7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order. On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7, as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause "(*b*)" as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

Registered No. B-1

The Bombay Government Gazette

PUBLISHED BY AUTHORITY

TUESDAY, 16TH JULY 1946.

Separate paging is given to this Part in order that it may be filed as a separate compilation.

PART V

[To be translated into Marathi, Gujarati, Kannada and Hindustani (in Urdu and Devnagari scripts) and the translations to be published in the "Bombay Government Gazette". The dates of publication to be reported.]

The following Bill is published under the proviso to rule 80 of the Bombay Legislative Assembly Rules :—

L. A. BILL No. IX OF 1946.

A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay.

WHEREAS it is expedient to amend the Indian IX of 1910. Electricity Act, 1910, in its application to the Province of Bombay for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title. 1. This Act may be called the Indian Electricity (Bombay Amendment) Act, 1946.

Amendment of sections 5 and 7 of Act IX of 1910. 2. To clause (*d*) of section 5 and sub-section (*2*) of IX of 1910. section 7 of the Indian Electricity Act, 1910, hereinafter called the said Act, in its application to the Province of Bombay, the following proviso shall be added, namely :—

"Provided that where the undertaking vests in the Provincial Government under the provisions of section 7-A for the purposes of valuation, the time of such vesting shall be deemed to be the time of purchase."

Insertion of new section 7-A in Act IX of 1910. 3. After section 7 of the said Act, the following new section shall be inserted, namely :—

Provincial Government may take possession and control of undertaking before purchase is effected. "7-A. (*1*) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof

pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(2) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

Amendment of section 42 of Act IX of 1910.

4. In section 42 of the said Act, clauses (*a*), (*b*) and (*c*) shall be relettered as "(*b*)", "(*c*)" and "(*d*)" respectively, and before clause (*b*) as so relettered the following new clause shall be inserted, namely :—

"(*a*) fails to comply with a requisition under section 7-A ; or"

Possession taken before the coming into force of this Act deemed to be possession taken under new section 7-A.

5. Where the Provincial Government has before the coming into force of this Act taken possession of any undertaking pending the purchase thereof by it under the said Act, such possession shall be deemed to have been taken in pursuance of an order issued under section 7-A of the said Act.

STATEMENT OF OBJECTS AND REASONS.

1. A license for the supply of electrical energy granted under section 3 of the Indian Electricity Act, 1910, can be revoked in the circumstances specified in section 4 of the said Act. When a license is so revoked and the Government elects to purchase under section 5 (*d*) the undertaking in respect of which such license was granted, or Government elects to exercise its option under the provisions of section 7 (*2*) of the Act, it is considered to be expedient for the purpose of maintaining and improving the efficiency of the undertaking that Government should be able to obtain possession of such undertaking before completion of its purchase. There is at present no provision in the Act enabling Government to do so.

2. In the case of the Hubli Electricity Company, Limited, possession of the undertaking had to be obtained by resort to rule 81 of the Defence of India Rules, as on revocation of its license the company refused to permit Government to work the undertaking although Government had elected to purchase it. Since the Defence of India Rules will cease to be in force as from the 1st October 1946, it is necessary in the public interest to provide for the continuance of the possession already obtained, pending the completion of the purchase of the undertaking by Government.

3. The present Act is designed to achieve the above objects.

Dated 15th July 1946. (Signed) M. D. D. GILDER.

By order of the Governor of Bombay,

K. M. CHITNVIS,

Assistant Secretary to the Government of Bombay,

Poona, 15th July 1946. Legal Department.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce *L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).

The Hon. the SPEAKER: L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) is introduced.

Dr. M. D. D. GILDER: Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a first time.

Question proposed.

Dr. M. D. D. GILDER: Sir, it has been said that bad cases make good laws, and this is one of the bad cases that has arisen, and that is why it has become necessary to come before the Legislature. In 1924 a licence was granted to two gentlemen to supply electricity to Hubli. In 1925 they transferred the licence to the Hubli Electricity Company, Limited. Complaints began to come from somewhere about 1930, and in December 1942 the District Magistrate of Dharwar wrote to Government that for the last 15 years the Company had been guilty of repeated negligence, inefficiency and utter disregard of the interests of the public. In January he said the Company had for some time entirely stopped the supply of electricity. The Electrical Engineer to Government was sent to investigate. He found that the engines were not working well, that there was no proper maintenance of the electrical power station, and even the Sub-Divisional Officer of Telegraphs complained that, because of the irregular and faulty supply of electricity, the telephone service batteries were not charged, and there was difficulty.

After a good deal of enquiry and unofficial talks in April 1943, the Company was informed that, though Government had sufficient grounds to cancel their licence, Government gave them six months' notice to set their house in order. That notice expired in October 1943, and the conditions were much worse. In fact, they were so bad that almost every day at frequent intervals, after the lights were switched on they went out and returned after an interval varying from a few minutes to an hour. In January 1944, the Company was told that its licence would be revoked from the 1st of May 1944. Even then another four months' period was given. In the meantime, Government asked the Hubli Municipality, or the authority working for them, if the municipality would like to purchase the undertaking. They refused. Then Government thought of giving the licence to some other company. But the Hubli Company filed a suit challenging the validity of the Government's order of revocation. Then Government thought that they ought to purchase the undertaking at once. They gave notice to that effect and sent an officer down to take possession. The Company refused to give possession pending settlement of price and completion of purchase, and as they had filed a suit against the Government which might take a long time for decision, and as the licence was revoked, Hubli was without electricity. Government therefore took power under the Defence of India Rules, and as there was a war industry and as supply of electricity was essential to the life of the community, they took over the undertaking. An entirely

2-30 p.m.

*Published at pages 58-59 of *Bombay Government Gazette*, Part V, dated 16th July 1946.

[Dr. M. D. D. Gilder]

outside authority, a retired man from the Central Provinces, a man who had been Electrical Adviser to the Central Provinces Government, was sent down to find out the value of the undertaking. He said that the undertaking on that day was worth Rs. 6,76,364. Government offered this price to the Company, but it was not accepted and the Company filed two suits against Government. The decision of the Court has been in favour of Government. But now the Company has gone in appeal. So, if we had not taken this undertaking under the Defence of India Rules, Hubli would have been without electricity all this time.

Now, as you are aware, Sir, the Defence of India Rules will cease to be in force from the 1st October 1946. As this case in appeal may not by then be decided, and as the price has not yet been settled we may have to go to arbitration, and the same situation would arise again. Hence, we have come to the House to give us power to continue what we have done, and in future, if instances like this arise, to give the Government the power on the day they make the order to take over the undertaking, so that a city may not be without electricity.

That is the whole basis of this Bill.

Question " That the Bill be read a first time " put, and agreed to.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read clause by clause.

Clause 2 (*Amendment of sections* 5 *and* 7 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 3 (*Insertion of new section* 7-*A in Act IX of* 1910) ordered to stand part of the Bill.

Clause 4 (*Amendment of section* 42 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 5 (*Possession taken before the coming into force of this Act deemed to be possession taken under new section* 7-*A*) ordered to stand part of the Bill.

Clause 1 (*Short title*) and preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a third time and passed.

Question put, and agreed to.

The Hon. the SPEAKER : The Bill is read a third time and passed.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce *L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).

The Hon. the SPEAKER: L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) is introduced.

Dr. M. D. D. GILDER: Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a first time.

Question proposed.

Dr. M. D. D. GILDER: Sir, it has been said that bad cases make good laws, and this is one of the bad cases that has arisen, and that is why it has become necessary to come before the Legislature. In 1924 a licence was granted to two gentlemen to supply electricity to Hubli. In 1925 they transferred the licence to the Hubli Electricity Company, Limited. Complaints began to come from somewhere about 1930, and in December 1942 the District Magistrate of Dharwar wrote to Government that for the last 15 years the Company had been guilty of repeated negligence, inefficiency and utter disregard of the interests of the public. In January he said the Company had for some time entirely stopped the supply of electricity. The Electrical Engineer to Government was sent to investigate. He found that the engines were not working well, that there was no proper maintenance of the electrical power station, and even the Sub-Divisional Officer of Telegraphs complained that, because of the irregular and faulty supply of electricity, the telephone service batteries were not charged, and there was difficulty.

After a good deal of enquiry and unofficial talks in April 1943, the Company was informed that, though Government had sufficient grounds to cancel their licence, Government gave them six months' notice to set their house in order. That notice expired in October 1943, and the conditions were much worse. In fact, they were so bad that almost every day at frequent intervals, after the lights were switched on they went out and returned after an interval varying from a few minutes to an hour. In January 1944, the Company was told that its licence would be revoked from the 1st of May 1944. Even then another four months' period was given. In the meantime, Government asked the Hubli Municipality, or the authority working for them, if the municipality would like to purchase the undertaking. They refused. Then Government thought of giving the licence to some other company. But the Hubli Company filed a suit challenging the validity of the Government's order of revocation. Then Government thought that they ought to purchase the undertaking at once. They gave notice to that effect and sent an officer down to take possession. The Company refused to give possession pending settlement of price and completion of purchase, and as they had filed a suit against the Government which might take a long time for decision, and as the licence was revoked, Hubli was without electricity. Government therefore took power under the Defence of India Rules, and as there was a war industry and as supply of electricity was essential to the life of the community, they took over the undertaking. An entirely

2-30 p.m.

*Published at pages 58-59 of *Bombay Government Gazette*, Part V, dated 16th July 1946.

[Dr. M. D. D. Gilder]

outside authority, a retired man from the Central Provinces, a man who had been Electrical Adviser to the Central Provinces Government, was sent down to find out the value of the undertaking. He said that the undertaking on that day was worth Rs. 6,76,364. Government offered this price to the Company, but it was not accepted and the Company filed two suits against Government. The decision of the Court has been in favour of Government. But now the Company has gone in appeal. So, if we had not taken this undertaking under the Defence of India Rules, Hubli would have been without electricity all this time.

Now, as you are aware, Sir, the Defence of India Rules will cease to be in force from the 1st October 1946. As this case in appeal may not by then be decided, and as the price has not yet been settled we may have to go to arbitration, and the same situation would arise again. Hence, we have come to the House to give us power to continue what we have done, and in future, if instances like this arise, to give to Government the power on the day they make the order to take over the undertaking, so that a city may not be without electricity.

That is the whole basis of this Bill.

Question " That the Bill be read a first time " put, and agreed to.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read clause by clause.

Clause 2 (*Amendment of sections* 5 *and* 7 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 3 (*Insertion of new section* 7-*A in Act IX of* 1910) ordered to stand part of the Bill.

Clause 4 (*Amendment of section* 42 *of Act IX of* 1910) ordered to stand part of the Bill.

Clause 5 (*Possession taken before the coming into force of this Act deemed to b possession taken under new section* 7-*A*) ordered to stand part of the Bill.

Clause 1 (*Short title*) and preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bil to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a third time and passed.

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Those six months expired in October 1943. The District Magistrate reported that the condition was worse; that there were frequent stoppages in the supply; that cinema houses, industries and the general public complained that things had come to such a condition that almost everyday between sunset and about 11 p.m. the electricity failed, sometimes for a few minutes and sometimes for an hour or more.

Then in January 1944, ultimately Government's patience was exhausted, and a notice was given to the company that their licence was revoked. Then when the licence was revoked, Government asked the Hubli Municipality if they would take it over. They were not prepared to take it over. Then Government wanted to sell it to somebody, but in the meantime the Hubli Electricity Company filed a suit in the court challenging the revocation. There was nothing left for the Government to do but to decide to take it over themselves. Then, when it sent an officer to take over, the company refused to give possession pending settlement of the price and the completion of the purchase, which would have meant that Hubli town would not have any electricity at all for some time.

At that time, the war was going on. There was a blanket industry there for the military, and for it and for the prosecution of the war and for maintaining

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the supplies and services which were essential to the community, under Rule 81 (3) of the Defence of India Rules, Government entered into possession.

Government appointed an officer, a retired Electrical Engineer from another Province—an entirely independent officer—to value the machinery and the plant and property that the company had, and he gave the value as Rs. 6,76,634. That money was offered to the company, but that has till now been refused. The company is raising objections. It filed two suits against Government in the High Court. Both of them have been decided in favour of Government, but the company has gone in appeal. So, if the Defence of India Rules had not been in existence Hubli would have been without electricity from 1944 up till now.

Now the Defence of India Rules expire on the 30th of this month, and in order to continue our possession of that plant, and in order that similar cases may not arise in the future, this Bill is presented to this House.

Sir BEHRAM N. KARANJIA: Sir, was there no provision for arbitration in the terms of the licence? Otherwise, one might suppose that Government would take over any Electricity Company rightly or wrongly, and as a result of that the owner might suffer a great deal. I think in every agreement that Government makes there is a provision for arbitration and the appointment of an arbitrator; in many cases the Chief Secretary to Government is mentioned as the arbitrator. Otherwise, no compensation could be given to the man concerned.

Dr. M. D. D. GILDER: Rs. 6 lakhs odd were offered as compensation. The property was valued——

Sir BEHRAM N. KARANJIA: If there is a difference of opinion on the ground of compensation—supposing a man wants Rs. 10 lakhs and he is offered only Rs. 6 lakhs—then the matter should go to arbitration.

The Hon. the PRESIDENT: May I point out to the hon. Member that this Bill does not touch the question of compensation or otherwise? This Bill is an amending Bill giving Government power to take possession, or rather to continue in possession in the present case. How to pay compensation, what its amount should be—they are not the subject-matters of this Bill. If I am not correct, the Hon. Minister will please correct me.

Dr. M. D. D. GILDER: That is perfectly correct. Sir, so far as this case is concerned, Government offered arbitration. The company refused to accept the cost that was estimated by an independent man from another Province, and they went to the Court on the preliminary issue that the Government's order of revocation was wrong.

Question "That the Bill be read a first time" put, and agreed to.

Dr. M. D. D. GILDER: Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read Clause by Clause.

The Hon. the PRESIDENT : I have received no amendments till now. Therefore, I propose to put to the House clauses 1 and 2 together.

Clauses 1 and 2 ordered to stand part of the Bill.

Clause 3 (*Insertion of new Section 7-A in Act IX of* 1910). After section 7 of the said Act, the following new section shall be inserted, namely :—

"7-A. *Provincial Government may take possession and control of undertaking before purchase is effected.*—(1) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

The Hon. the PRESIDENT : I have just now received an amendment to Clause 3. That stands in the name of the hon. Member Mr. Shantilal Shah. He will move it.

Mr. SHANTILAL H. SHAH (Broach and Panch Mahals *cum* Surat) : Sir, I beg to move :—

In clause 3 of the Bill, at the end of clause (*b*) of sub-section (*1*) of section 7-A, the following shall be added :—

'On failure of the licensee to comply with such order, the Provincial Government may forthwith enter into possession of such undertaking"

Question proposed.

Mr. SHANTILAL H. SHAH : Sir, the object of the Bill as stated in the Statement of Objects and Reasons is that Government should be able to obtain possession of an electric undertaking before completion of its purchase. The clause as drafted provides that Government can require a licensee to deliver possession and that the licensee shall comply with such order. But suppose, as has happened in the present case, the licensee does not comply with the order, the only alternative left to Government will be again to go to the court and file a suit to obtain possession. If the object is to obtain possession without recourse to a court of law, then I submit that it is necessary to authorise Government to forthwith enter into possession of the undertaking. That is why I have proposed this amendment—with a view to fully carrying out the object of the Bill.

Dr. M. D. D. GILDER : Sir, I accept the amendment.

Amendment put, and agreed to.

Clause 3, as amended, ordered to stand part of the Bill.

Clauses 4 and 5 ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) as amended by the House be read a third time and passed.

Question put, and agreed to.

The Hon. the PRESIDENT : The Bill is read a third time and passed.

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L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).*

The Hon. the PRESIDENT: The Bill is introduced.

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Dr. M. D. D. GILDER: Sir, it has been said that bad cases make good laws, and in this particular instance we met a very bad case, and hence we have got to come to the House for passing this Bill. Somewhere in 1924 a licence was granted to Messrs. Amte and Malimath for supply of electricity to Hubli. A year later they formed a limited company, and the licensee was called the Hubli Electricity Company. Roundabout the late 30's complaints began to come to Government about the bad functioning of the company, and in December 1942 the District Magistrate of Dharwar wrote to Government that for fifteen years there had been repeated negligence, inefficiency and utter disregard of public interests by the company. The Electrical Engineer who was sent there to inspect the undertaking agreed with this. The Telephone department there complained that their batteries were not charged, and therefore they could not use the trunk telephone. So after a full enquiry, after more than four months, in April 1943, the company was informed that, though Government had sufficient grounds for the revocation of the licence, Government gave them six months to recondition their plant and to maintain it in a good condition.

Those six months expired in October 1943. The District Magistrate reported that the condition was worse; that there were frequent stoppages in the supply; that cinema houses, industries and the general public complained that things had come to such a condition that almost everyday between sunset and about 11 p.m. the electricity failed, sometimes for a few minutes and sometimes for an hour or more.

Then in January 1944, ultimately Government's patience was exhausted, and a notice was given to the company that their licence was revoked. Then when the licence was revoked, Government asked the Hubli Municipality if they would take it over. They were not prepared to take it over. Then Government wanted to sell it to somebody, but in the meantime the Hubli Electricity Company filed a suit in the court challenging the revocation. There was nothing left for the Government to do but to decide to take it over themselves. Then, when it sent an officer to take over, the company refused to give possession pending settlement of the price and the completion of the purchase, which would have meant that Hubli town would not have any electricity at all for some time.

At that time, the war was going on. There was a blanket industry there for the military, and for it and for the prosecution of the war and for maintaining

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the supplies and services which were essential to the community, under Rule 81 (*3*) of the Defence of India Rules, Government entered into possession.

Government appointed an officer, a retired Electrical Engineer from another Province—an entirely independent officer—to value the machinery and the plant and property that the company had, and he gave the value as Rs. 6,76,634. That money was offered to the company, but that has till now been refused. The company is raising objections. It filed two suits against Government in the High Court. Both of them have been decided in favour of Government, but the company has gone in appeal. So, if the Defence of India Rules had not been in existence Hubli would have been without electricity from 1944 up till now.

Now the Defence of India Rules expire on the 30th of this month, and in order to continue our possession of that plant, and in order that similar cases may not arise in the future, this Bill is presented to this House.

Sir BEHRAM N. KARANJIA : Sir, was there no provision for arbitration in the terms of the licence ? Otherwise, one might suppose that Government would take over any Electricity Company rightly or wrongly, and as a result of that the owner might suffer a great deal. I think in every agreement that Government makes there is a provision for arbitration and the appointment of an arbitrator ; in many cases the Chief Secretary to Government is mentioned as the arbitrator. Otherwise, no compensation could be given to the man concerned.

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Bill read Clause by Clause.

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Clauses 1 and 2 ordered to stand part of the Bill.

Clause 3 (*Insertion of new Section 7-A in Act IX of* 1910). After section 7 of the said Act, the following new section shall be inserted, namely :—

"7-A. *Provincial Government may take possession and control of undertaking before purchase is effected.*—(1) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, the provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without prejudice to the right of the licensee to payment of the value of the undertaking, apply to such undertaking as if the purchase had been effected."

The Hon. the PRESIDENT : I have just now received an amendment to Clause 3. That stands in the name of the hon. Member Mr. Shantilal Shah. He will move it.

Mr. SHANTILAL H. SHAH (Broach and Panch Mahals *cum* Surat) : Sir, I beg to move :—

In clause 3 of the Bill, at the end of clause (*b*) of sub-section (*1*) of section 7-A, the following shall be added :—

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Question proposed.

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Dr. M. D. D. GILDER : Sir, I accept the amendment.

Amendment put, and agreed to.

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Preamble ordered to stand part of the Bill.

Dr. M. D. D. GILDER : Sir, I move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) as amended by the House be read a third time and passed.

Question put, and agreed to.

The Hon. the PRESIDENT : The Bill is read a third time and passed.

BOMBAY : PRINTED AT THE GOVERNMENT CENTRAL PRESS.

L. A. BILL No. IX OF 1946 (A BILL TO AMEND THE INDIAN ELECTRICITY ACT, 1910, IN ITS APPLICATION TO THE PROVINCE OF BOMBAY).

Dr. M. D. D. GILDER (Minister for P. W. D.): Sir, I beg to introduce Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay).*

The Hon. the PRESIDENT: The Bill is introduced.

Dr. M. D. D. GILDER: Sir, I beg to move that Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910 in its application to the Province of Bombay) be read a first time.

Question proposed.

Dr. M. D. D. GILDER: Sir, it has been said that bad cases make good laws, id in this particular instance we met a very bad case, and hence we have got come to the House for passing this Bill. Somewhere in 1924 a licence was anted to Messrs. Amte and Malimath for supply of electricity to Hubli. A year ter they formed a limited company, and the licensee was called the Hubli Electri- y Company. Roundabout the late 30's complaints began to come to Govern- ent about the bad functioning of the company, and in December 1942 the District agistrate of Dharwar wrote to Government that for fifteen years there had been peated negligence, inefficiency and utter disregard of public interests by the mpany. The Electrical Engineer who was sent there to inspect the undertaking reed with this. The Telephone department there complained that their batteries ere not charged, and therefore they could not use the trunk telephone. So ter a full enquiry, after more than four months, in April 1943, the company was formed that, though Government had sufficient grounds for the revocation the licence, Government gave them six months to recondition their plant d to maintain it in a good condition.

Those six months expired in October 1943. The District Magistrate reported at the condition was worse; that there were frequent stoppages in the supply; at cinema houses, industries and the general public complained that things d come to such a condition that almost everyday between sunset and about p.m. the electricity failed, sometimes for a few minutes and sometimes for an ur or more.

Then in January 1944, ultimately Government's patience was exhausted, d a notice was given to the company that their licence was revoked. Then ien the licence was revoked, Government asked the Hubli Municipality if they ould take it over. They were not prepared to take it over. Then Government inted to sell it to somebody, but in the meantime the Hubli Electricity Company ed a suit in the court challenging the revocation. There was nothing left for e Government to do but to decide to take it over themselves. Then, when sent an officer to take over, the company refused to give possession pending ttlement of the price and the completion of the purchase, which would ve meant that Hubli town would not have any electricity at all for some ne.

At that time, the war was going on. There was a blanket industry there for e military, and for it and for the prosecution of the war and for maintaining

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the supplies and services which were essential to the community, under Rule 81 (3) of the Defence of India Rules, Government entered into possession.

Government appointed an officer, a retired Electrical Engineer from another Province—an entirely independent officer—to value the machinery and the plant and property that the company had, and he gave the value as Rs. 6,76,634. That money was offered to the company, but that has till now been refused. The company is raising objections. It filed two suits against Government in the High Court. Both of them have been decided in favour of Government, but the company has gone in appeal. So, if the Defence of India Rules had not been in existence Hubli would have been without electricity from 1944 up till now.

Now the Defence of India Rules expire on the 30th of this month, and in order to continue our possession of that plant, and in order that similar cases may not arise in the future, this Bill is presented to this House.

Sir BEHRAM N. KARANJIA: Sir, was there no provision for arbitration in the terms of the licence? Otherwise, one might suppose that Government would take over any Electricity Company rightly or wrongly, and as a result of that the owner might suffer a great deal. I think in every agreement that Government makes there is a provision for arbitration and the appointment of an arbitrator; in many cases the Chief Secretary to Government is mentioned as the arbitrator. Otherwise, no compensation could be given to the man concerned.

Dr. M. D. D. GILDER: Rs. 6 lakhs odd were offered as compensation. The property was valued——

Sir BEHRAM N. KARANJIA: If there is a difference of opinion on the ground of compensation—supposing a man wants Rs. 10 lakhs and he is offered only Rs. 6 lakhs—then the matter should go to arbitration.

The Hon. the PRESIDENT: May I point out to the hon. Member that this Bill does not touch the question of compensation or otherwise? This Bill is an amending Bill giving Government power to take possession, or rather to continue in possession in the present case. How to pay compensation, what its amount should be—they are not the subject-matters of this Bill. If I am not correct, the Hon. Minister will please correct me.

Dr. M. D. D. GILDER: That is perfectly correct. Sir, so far as this case is concerned, Government offered arbitration. The company refused to accept the cost that was estimated by an independent man from another Province, and they went to the Court on the preliminary issue that the Government's order of revocation was wrong.

Question "That the Bill be read a first time" put, and agreed to.

Dr. M. D. D. GILDER: Sir, I beg to move that L. A. Bill No. IX of 1946 (A Bill to amend the Indian Electricity Act, 1910, in its application to the Province of Bombay) be read a second time.

Question put, and agreed to.

Bill read Clause by Clause.

The Hon. the PRESIDENT : I have received no amendments till now. Therefore, I propose to put to the House clauses 1 and 2 together.

Clauses 1 and 2 ordered to stand part of the Bill.

Clause 3 (*Insertion of new Section 7-A in Act IX of* 1910). After section 7 of the said Act, the following new section shall be inserted, namely :—

"7-A. *Provincial Government may take possession and control of undertaking before purchase is effected.*—(1) Notwithstanding anything contained in any law for the time being in force, the Provincial Government may,—

(*a*) when it elects under clause (*d*) of section 5 to purchase an undertaking, or

(*b*) if it elects under sub-section (*2*) of section 7 to purchase an undertaking, on the expiry of the period of notice required to be given under sub-section (*4*) thereof pending the purchase of the undertaking, at any time by order require the licensee to deliver possession of such undertaking to such officer as the Provincial Government may appoint in that behalf on or before such day as may be specified in the order, and the licensee shall comply with such order.

(*2*) On the date of compliance with the order, or the day specified therein whichever is earlier, he provisions of clause (*e*) of section 5 or sub-section (*3*) of section 7 as the case may be, shall, without rejudice to the right of the licensee to payment of the value of the undertaking, apply to such ndertaking as if the purchase had been effected."

The Hon. the PRESIDENT : I have just now received an amendment to Clause 3. That stands in the name of the hon. Member Mr. Shantilal Shah. He will move it.

Mr. SHANTILAL H. SHAH (Broach and Panch Mahals *cum* Surat) : Sir, I beg to move :—

In clause 3 of the Bill, at the end of clause (*b*) of sub-section (*1*) of section 7-A, the following shall e added :—

" On failure of the licensee to comply with such order, the Provincial Government may forthwith nter into possession of such undertaking "

Question proposed.

Mr. SHANTILAL H. SHAH : Sir, the object of the Bill as stated in the Statement of Objects and Reasons is that Government should be able to obtain possession f an electric undertaking before completion of its purchase. The clause as rafted provides that Government can require a licensee to deliver possession nd that the licensee shall comply with such order. But suppose, as has happened n the present case, the licensee does not comply with the order, the only alternative ft to Government will be again to go to the court and file a suit to obtain possesion If the object is to obtain possession without recourse to a court of law, then submit that it is necessary to authorise Government to forthwith enter into ossession of the undertaking. That is why I have proposed this amendment—ith a view to fully carrying out the object of the Bill.

Dr. M. D. D. GILDER : Sir, I accept the amendment.

Amendment put, and agreed to.

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Superintendent,
D Branch, Legal Department.